

UNCLASSIFIED

1

PRESIDENT'S SPECIAL REVIEW BOARD

INTERVIEW OF



Room 5026

New Executive Office Building

Washington, D. C.

Thursday, January 8, 1987

The interview convened at 10:07 a.m.

BEFORE:

The Honorable John Tower, Chairman

The Honorable Edmund Muskie

General Brent Scowcroft

PRESENT:

Rhett Dawson, Esq., Director

Clark McFadden, Esq.

Nicholas Rostow, Esq.

Michele Markoff

Brian Bruh

3666

Partially Declassified / Released on 12 Aug 1987
Under provisions of E.O. 12356
By S. Reger, National Security Council

AOD 1089



1 And that's where we are. That's the story. I
2 think I'll just be quiet. You must have 1,001 questions
3 now, and I'll sit back and answer them.

4 CHAIRMAN TOWER: Ed.

5 SENATOR MUSKIE: I take it from your opening
6 statement that you had no knowledge at all of any
7 diversion of funds from the Iran operation.

8 [REDACTED] No. I didn't know that even arms
9 were being sold to Iran until it broke in the newspapers,
10 and I didn't know that there was even a question of
11 diversion of funding until sometime -- well, it was
12 before it was announced. I forget when it was.

13 The Director and I took a trip to Central
14 America just before he came back to testify in November
15 to the committees, to the Senate, and a courier came down
16 who was coming down to meet him with his briefs and such
17 so he could do his work on the airplane and get ready for
18 his testimony, and the courier said to him, you know,
19 there may be a problem on diversion -- and that was eight
20 or ten days before it broke in the newspapers.

21 CHAIRMAN TOWER: About when was that?

22 [REDACTED] The Director testified in the
23 Senate on a Friday and this was on a Wednesday. I can't
24 remember the exact dates. It was in November. I can
25 divine them, though.

1 CHAIRMAN TOWER: Was it about mid-November?

2 [REDACTED]
3 Mid-November, yes. Does anybody
4 know when the Director first testified to the Senate?

5 GENERAL SCOWCROFT: No, I don't know.

6 CHAIRMAN TOWER: But we can find out.

7 [REDACTED]
8 It was before Thanksgiving. It
9 would be the Wednesday evening before the Friday before
10 Thanksgiving. I just don't know what date that was. And
11 that was the first I had heard anything about it.

12 And then, just an hour before the Attorney
13 General made his announcement, the DDO called me up and
14 said this is what's happened. And I said, oh, Jesus.
15 And that was the first I had known that that was going
16 on.

17 SENATOR MUSKIE: And now you said that all
18 through 1985 there was sufficient funding for the
19 resistance forces to cover their needs.

20 [REDACTED]
21 Yes. They had enough money from
22 August of '85-forward. Their needs were much reduced
23 because of the humanitarian assistance offers, but still
24 they had funds before and after that. They were able to
25 pay their debts. They were able to buy their food and
they were able to meet their payments to their
individuals, yes.

SENATOR MUSKIE: How specific was your